PERSATUAN EKONOMI MALAYSIA
(Malaysian Economic Association)

THIRD MALAYSIAN ECONOMIC CONVENTION
AGENDA FOR THE NATION: REVIEW OF THE SECOND
MALAYSIA PLAN AND IMPLICATIONS OF THE THIRD MALAYSIA PLAN

"Unemployment, Educational Planning And Strategies For Employment In Malaysia - An Overview"

by

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21-24 August 1976
Penang

"UNEMPLOYMENT, EDUCATIONAL PLANNING AND STRATEGIES FOR EMPLOYMENT IN MALAYSIA - AN OVERVIEW"

Introduction:- Unemployment is increasingly emerging as the most striking symptom of inadequate development in most countries of the Third World and Malaysia is no exception. This serious socio-economic phenomenon, in all its facets, has caught the serious attention of politicians, no less the economists in all these countries although success in reducing this gross wastage of human resources who would otherwise have contributed to rapid growth and development can at best be described as moderate.

Malaysia has seen the implementation of several development plans, the latest being the Second Malaysia Plan (1970-75) and is about to embark upon the implementation of the Third Malaysia Plan (1976-1980). In most of these plans, particularly the Second and Third Malaysia Plans, attention has been paid to the growing seriousness of both open unemployment and underemployment in both the rural and urban sectors of the economy. Following this discussion of the seriousness of unemployment, measures are then recommended in an attempt to provide for the fuller utilization of human productive potential in the Malaysian economy.

Owing to the recurrent interest in unemployment as a serious socio-economic phenomenon, this paper begins with a review of this problem. This is followed by a discussion on educational planning in the context of Malaysia, realizing its importance as an instrument for preparing human resources with the right mix of skills at the different levels to serve the development needs of the country and for changing attitudes and job expectations, particularly amongst the young and educated, which are often sharply at variance with the work available and with the jobs of priority for accelerating national development. The paper ends with an analysis of the various strategies that have been adopted and will be adopted in reducing and if possible in overcoming unemployment in Malaysia.

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PART I: 'Unemployment in Malaysia'

This part of the paper will analyse the trend and pattern of unemployment that has existed in Malaysia. Attention is drawn to the fact that the analysis is constrained to a great extent by the lack of accurate and up-to-date data. We therefore rely a great deal on the publications of the Department of Statistics; chiefly data from the 'Report on Employment, Unemployment and Underemployment 1962' and the 'Socso - Economic Sample Survey of Households - Malaysia 1967/68'. Much of the analysis depends upon the 1967/68 Survey since the earlier Report is less detailed. Mention must also be made here that no detailed survey on unemployment has been undertaken in Malaysia since 1967.

Without indulging ~~ourselves~~ in the controversies associated with definitions on 'unemployment' - let us relate unemployment (as defined in the 1967/68 Survey)[1] as "those persons who, having no jobs or enterprise of their own, did not work at all any time during the reference week and were looking for a job or work". These affected

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1. Socio-Economic Sample Survey of Households - 1967/68 (Sess) pg. 9

persons are further sub-classified into:-

"(a) those actively looking for a job or work for pay or profit; and

(b) those who were not actively looking for a job or work but will accept a job if given one".

These definitions may lead to various controversies regarding the interpretation of 'unemployment' and as such the available data on unemployment in the 1962 Report and 1967/68 Survey may be a misrepresentation of reality - what more in Malaysia where the process of data-collecting is still suspect[2]. These limitations are unavoidable. The above definitions refer to "open unemployment".

However in the context of unemployment studies in Malaysia, like any other such studies in other developing countries, it would be most pertinent to take into account the question of "underemployment" which involves persons "involuntarily working part time or for shorter than normal periods of work"[3]. This is an important feature of unemployment in developing countries; and yet the lack of proper and organised methods of estimating underemployment has often led to the underestimation and neglect of the whole problem of unemployment.

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2. For further discussion on definitional problems on unemployment in Malaysia see David Lims' "Economic Growth and Development in W. Malaysia 1947-1970" Chap. 9

3. SESS 1967/68, op cit, pg. 11

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Open unemployment in Malaysia has been consistently high since the early sixties. Looking at the broad picture in the abovementioned Report and Survey and other related data thereafter, one will notice that the problem of unemployment has increased over these years. This type of unemployment appears to have increased from about 6% of the labour force in 1962 to 6.8% in 1967/68 period; and up to 7.3% in 1973. With a labour force of nearly 6 million persons in 1973, the figure of 7.3% being unemployed is indeed serious. This disregards the fact there is underemployment in almost all sectors of the economy. Such underutilization of our human resources which predominates in the agricultural sector is obviously a waste. The high rate of open unemployment is generally attributed to the very rapid increase in population and hence the labour force - which ultimately creates serious structural imbalances within the economy. With an average rate of population growth of 2.8% p.a from 1962 to 1973 and a slight decline to 2.7% thereafter, the increase in the number of job-seekers within the last decade or so is therefore quite alarming. If employment opportunities are not readily available or created, it would certainly have a serious effect on the economy. "Unemployment will remain one of the most serious long-term economic problems of the economy. For instance, to prevent the unemployment rate from rising, an average of 119,000 new job opportunities have to be created annually during the 1971-75 period. Unfortunately this target has not been reached".[4]

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4. Treasury Economic Report 1972/73 pg. 32

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A similar situation was also noted during the implementation of the First Malaysia Plan (1966-70). The plan accordingly projected an employment target of 2.8% annually or the creation of 76,000 new jobs every year during the said period. But "it is not likely that this rate of growth has in fact been achieved during the period. In part it appears that output growth has been associated more with enhanced productivity than increased employment in sectors like rubber, manufacturing and transport"[5].

To complicate the unemployment problem further, we find that there is a substantial part of the working population which is not engaged under conditions of wage-employment. Amongst them we would include those that are self employed and unpaid family workers. Obviously the bulk of such workers is found in the traditional or smallholding sector. The existence of such a phenomenon simply makes the measure of unemployment and underemployment more cumbersome. "In West Malaysia where the degree of commercialisation of agriculture and other traditional activities is perhaps unusually high, the number of self-employed and unpaid family workers amounts to at least 40% of the labour force. Fully three fifths of the group are in agriculture; another fifth in commerce and services and as much as 7% in the manufacturing sector"[6].

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5. Mid-Term Review of First Malaysia Plan 1966-70 p. 16

6. D.J. Blake - Unemployment: The West Malaysian Example - UMBC Economic Review Vol.IX No.1 1973 also in David Lim's, Reading on Malaysian Economic Development, Oxford University Press 1975, p. 186-194.

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Being an open economy, Malaysia's export dependency on a few primary products chiefly rubber, tin, timber and palm oil have to a great extent created problems of economic instability and hence affecting employment creation. The vagaries of demand conditions in industrialised countries certainly limits the scope for the export sector to generate new employment opportunities at a rate sufficient to absorb an adequate share of the annual increment of the expanding labour force. Even with the emphasis on industrial diversification after the beginnings of 1960's and recent efforts to increase the export drive of certain industries, the situation has not improved significantly. Following the severe recession in the industrialised countries after 1972, "unemployment increased in 1975 with the decline in economic activity and featured strongly in the retrenchment of workers in badly affected industries, particularly the labour intensive export industries such as electronics and wood products"[7].

According to the Treasury Economic Report 1975/76, in 1975 the total employment was estimated to grow less than 1% compared to 5% and 3% growth in 1973 and 1974 respectively[8]. This serious decline in job opportunities was experienced by all sectors - but particularly marked in the export-orientated industries. And thus the unemployment rate is estimated to increase to 7.4% in 1975 compared to the figures of 7.3% and 7.2% in 1973 and 1974 respectively.

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7. Treasury Economic Report 1975/76 p. 14

8. Treasury Economic Report, op cit, p. 88

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Unemployment: Rural - Urban Distribution

The distribution of the labour force as between the rural and urban areas distinctly reflects the occupational distribution of the labour force in Malaysia and this would certainly have important economic implications. Refering to Table I for the percentage distribution of the labour force by racial groups in 1967/68, we can note the preponderence of Malay employment in the rural sector while the Chinese are concentrated in the urban sector.

Table I: Distribution of Labour Force by Major Racial Groups in Rural and Urban Areas 1967/68 (%).

Labour Force	Malay	Chinese	Indian	Others
Total	50	36	13	1
Rural	61	25	13	1
Urban	25	59	13	3

Source: S.E.S.S. 1967/68

The above pattern of distribution is of course fundamental to the explaination of racial specialisation in occupations. The racial distribution in terms of sectoral employment has not changed significantly since 1967/68. One can still note that predominance of Malay employment in the agricultural sector associated with the rural areas while Chinese employment is concentrated in the faster-growing activities associated with the urban areas (See Table II).

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Table II

Peninsular Malaysia: Percentage Distribution of Employment By Race and Sector 1970 & 1975

1970	Malays	Chinese	Indians	Others
Total	51.4	37.0	10.7	0.9
Primary(a)	67.6	21.4	10.1	0.9
Secondary(b)	30.8	59.5	9.2	0.5
Tertiary(c)	37.9	48.3	12.6	1.2

1975	Malays	Chinese	Indians	Others
Total	52.6	36.3	10.3	0.8
Primary(a)	67.3	20.7	11.1	0.9
Secondary(b)	36.5	53.3	9.8	0.4
Tertiary(c)	42.3	47.3	9.5	0.9

a - Agriculture

b - Mining, manufacturing, construction, utilities and transport

c - Wholesale and retail trade, banking, public adminstration, education, health and defence.

Source: Third Malaysia Plan 1976-80 p. 78.

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"It is quite apparent that the distribution of the types of occupation is largely determined by the differences in economic activities between rural and urban areas. That this pattern has persisted reflects the rather limited structural change in the economy since Independence"[9]. Despite substantial governmental expenditure since then for rural sector development, the achievements have not been impressive. The structural weaknesses of the traditional agricultural sector still prevail so that during the 1971-75 period "net absorption of labour is expected to be low in agriculture even though sizeable production increases are projected for rubber, rice, palm oil and other major agricultural products"[10].

However what is more significant, at this juncture, is to relate the problem of unemployment in terms of the rural-urban setting. Open unemployment in urban areas is indeed a serious problem and this is consistently reflected in all estimates. In 1962 the urban rate of unemployment was 8.9% while the corresponding rate for rural areas was estimated at 5%. Similarly the figures during the 1967/68 survey reflected a similar trend where it stands at 9.9% as compared to 5.4% for the rural areas. Corresponding estimates for 1972 were 10.2% and 6% respectively. Open unemployment as such is characteristically an urban phenomenon. However, one can normally associate this phenomenan to the process of rural-urban migration. This process has significantly

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9. D.J. Blake op cit

10. Mid-Term Review of Second Malaysia Plan (1971-75) p. 29

increased in the last few years with the rapid phase of development in Malaysia's major towns. The rural-urban migration can also be attributed to other factors such as the ineffectiveness of government policies to disperse industries and the inability of the agricultural sector to obsorb all the rural manpower. One therefore cannot help but notice that open unemployment in the urban areas is generated mainly from the rural areas. For it is in the rural areas that the natural increase of population is more rapid while employment opportunities have expanded least rapidly in the rural sector. There certainly exists sufficient evidence to substantiate the occurence of the rural-urban migration process. Population of urban areas have grown more rapidly than that of the rural areas, despite the higher rate of natural increase in the later. Between 1957-1970, the migration process has been attributed as a major factor that contributes to the annual population growth of 3.3% in the urban areas compared to a corresponding figure of 2.4% for the rural areas. Since the rate of open unemployment in the urban areas is substantially higher than that in the rural areas, this strongly suggests that the process of rural-urban migration is merely a transfer of human resources from underemployment in agriculture to open unemployment in urban centres.

Underemployment:

Like many developing countries, Malaysia has attempted to measure the less tractable components of underemployment involving persons involuntarily working part-time or for shorter than normal periods of work. One such detailed study is the Socio-Economic Sample

Survey of Households 1967/68 which seeks to analyse underemployment in terms of:-

"(i) the number of hours worked during the reference week by those who are employed;

(ii) member of additional hours the employed are available for work; and

(iii) man-days lost due to non-availability of work".[11]

Table III: Employment by number of hours worked per week

Hours Worked Per Week	Number (in thousands)	As % of Total
48 hours and above	1,562.8	66.1
25 - 48 hours	535.3	22.6
Less than 25 hours	267.3	11.3
T O T A L	2,365.4	100

From Table III above, it appeared that 33.9% of the labour force worked less than 48 hours a week during the survey period. If 48 hours working week is taken as the norm, a total of 802,600 persons are underemployed. Of these 11.3% worked less than 25 hours a week while 22.6% worked between 25-48 hours a week. In terms of sectoral underemployment, it is a common feature for those engaged

11. SESS 1967/68 op cit p.146

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in agriculture to work less than 48 hours per week. Out of the total number of persons working less than 25 hours per week, 76.5% are engaged in agriculture while 8.6% are in manufacturing. Among those who are not so severely underemployed and work between 25 - 48 hours per week, 75.5% are engaged in agriculture while 7.6% are in manufacturing. (Refer to Table IV)

Table IV: Percentage distribution of employed by number of hours worked per week and Industry.

Industry	Total Number in thousands	Persons employed working					
		48 hours and above	25 - 48 hours	Less then 25 hours	48 hours and above	25-48 hours	Less 25 h
		As a percentage to col (1)			As a percentage of t		
	(1)	(2)	(3)	(4)	(5)	(6)	(
0. Agriculture forestry hunting and fishing	500.7	46.8	30.4	20.7	15.0	30.3	38.
1. Agricultural products requiring substantial processing.	718.8	52.4	33.7	14.0	24.1	45.2	37.
2. Mining & Quarrying	72.0	79.3	16.5	4.2	3.7	2.2	1.
3&4. Manufacturing	214.8	70.4	18.9	10.7	9.7	7.6	8.
5. Construction	78.9	80.6	13.5	5.9	4.1	2.0	1.
6. Electricity,gas, water & sanitary services	22.3	97.9	1.5	0.6	1.4	0.1	0.
7. Commerce	255.2	80.3	14.9	4.7	13.1	7.1	4.
8. Transport,Storage & Communication	86.2	91.1	6.1	2.8	5.0	1.0	0.
9. Services	413.0	90.0	5.7	4.3	23.8	4.4	6.
10. Industry not specified	3.5	76.4	16.2	7.4	0.2	0.1	0.
Total	2,365.4	66.1	22.6	11.3	100.0	100.0	100.

Source: SESS 1967/68 p.149

The reasons for acute underutilization of human resources, particularly conspicous in agriculture, are of course varied and complex. The phenomenon is indeed structural - where one tends to associate with inappropriate factor proportion; a shortage fo real capital and an abundance of untrained or unskilled labour.

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The pattern of economic activities in the main sectors of the economy is heavily weighted in the direction of low productivity and labour intensive employment. This may be an incomplete explaination. The explaination must also be concerned with institutions which in the main can effectively utilize both the human and non-human factors of production. An institutional framework which breeds social injustices such as exploitation through the existing system of landownership as well as inequality of opportunities and income distribution shall have a significant bearing on the economic structure of the rural sector.

Unemployment in terms of sex distribution

In 1962, the overall rate of unemployment was moderately high - 5.2% of all males and 7.9% of all females in the labour force. During the 1967/68 the S.E.S. Survey the figures have increased to 6.1% and 8.1% respectively. Therefore, there is an increase in the incidence of unemployment in both sexes, though the increase is more pronounced among males than females. The fact that unemployment among females has not increased to the same extent as amongst males is indeed significant because "even though there has been an increase in the female labour force arising from female emancipation which is related to education and attitudes towards employment, there has been no corresponding pressure in the employment market. Expressed in another way, it may be

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that employment opportunities thrown open to females have more or less kept pace with the influx of females into the labour market"[12]. This view should however be interpreted with caution. It may be observed that female members of the working age groups may not actually present themselves in the labour market actively looking for work, but would be willing to accept renumerative employment should the opportunity arises. For instance, some women in rural areas "do not seek full-time employment now because they know that in the area they live opportunities do not exist. Since they are not seeking work, they are not, by definition, unemployed"[13]. One can therefore visualise a situation in which the data on female unemployment may be underestimated.

Arising from the above, the 1967/68 SES Survey tried to identify the above-mentioned type of unemployment as the "passively unemployed" - a group seperate from those actively looking for work. In the 1967/68 S.E.S. Survey, it was noted that 66.8% of the unemployed are females, and a substantial portion of them are concentrated in the rural areas.

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12. SESS 1967/68, op cit p.108-109

13. Federation of Malaya Report on Employment, unemployment and underemployment 1962 p. 26

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Period of Unemployment

The rate of unemployment as such is certainly not the only measure used to determine the seriousness of the unemployment problem. Equally significant is the duration of unemployment among job seekers. A symptom of the chronic nature of the unemployment problem is found in the relatively long duration of unemployment for a significant proportion of the unemployed. For instance, 43.88% of the unemployed had been out of work for a year or more in 1967/68; 20.43% for a period of 6 months to a year; and 35.68% for less than 6 months. For purposes of comparison with the corresponding figures in 1962, let us refer to Table V below:-

Table V: Distribution of the unemployed by period of unemployment.

Period of Unemployment	1962	1967
More than 1 year	29.70	43.88
6 months - 1 year	22.31	20.43
3 months - 6 months	12.25	14.29
Less than 3 months	33.52	21.39

Source: S.E.S. Survey 1967/68

In 1962 as much as 29.7% of those out of work were unemployed for a period of over one year. The situation in 1967/68 has relatively deteriorated. On the basis of the available data, one tends to conclude that the bulk of unemployment continues to be structural. The economy has not been expanding sufficiently fast enough to absorb the ever increasing labour force. This is supported by the much higher incidence of unemployment in the two youngest groups i.e 15-19 and 20-24 years. "If unemployment had been mainly caused by cyclical changes in effective demand, it seems most improbable that it would have been centered so largely in these two groups. Again, if unemployment were mainly seasonal or frictional, the average duration of unemployment would have been less"[14].

Unemployment in terms of age groups

A most striking feature of unemployment is that it is concentrated among the young. The unemployment in the 15-19 age groups accounted for nearly half of the total unemployed in 1967/68. If this age group is extended include those below 24 years, then it will account for 75% of the total unemployed. Associated with the predominance of youthful unemployment, first-time job seekers made up the majority of the jobless. Of the total number out of work, nearly two-thirds had never been employed.

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14. SESS 1967/68, op cit p.118

When one discusses this phenomenon, there is certainly a case for emphasising the structural nature of unemployment that exists in Malaysia arising mainly from the lack of employment absorption by the economy. The growth of the main sectors in the economy cannot cope with the backlog of those still unemployed; what more with the annual increase in the number of job-seekers or school leavers. One can also relate this phenomenon with unrealistic expectations of first-time job seekers. Job preferences expressed by them in response to the 1967/68 S.E.S. Survey revealed a disproportionately large number seeking employment in clerical and administrative occupations. There is a very pronounced non-agricultural bias of the unemployed. While agricultural occupations account for nearly half the total employed, only 6.2% of the first-time job seekers and 13.8% of the unemployed who had a previous job were looking for agricultural work. The situation has not changed significantly since then. In 1972, it was noted that " the unemployment problem is also aggravated by strong job preferences of many first-time job-seekers for clerical rather than manual jobs, which are more readily available".[15] This is indeed a serious matter whereby expectations are set too high. Perhaps a reorientation of education is necessary so that expectations can be matched with the reality. It is towards this aspect of educational reorientation via educational planning that we now turn to.

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15. Treasury Economic Report 1972/73 op cit, p.42

PART II: The Essentials of Educational Planning in Malaysia

Educational planning is an essential component of any global development strategy. Viewed strictly from the economic viewpoint, the educational plan serves to provide the human skills and resources necessary to achieve the aspirations, objectives and targets as are laid down in a country's development plan. It is perhaps appropriate for me to emphasise right from the outset, however, that although education may have an important role in accelerating development, expenditures on education are not in general the motor of growth nor are they in general the sole bottleneck restraining increases in output and productivity[16]. Development occurs as a consequence of the interaction of a series of elements of which the human resource component is one and it is in the provision of different levels of manpower with the right mix of skills as are required by the development needs of a country that education plays its vital role. This section of the paper begins with a brief survey of the structure of the present educational system followed by an examination of the manpower demand and supply positions in Malaysia. The policy implications of the above for educational planning in Malaysia will then be discussed at length[17].

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16. Keith B. Griffin and John L. Enos, 'Planning Development', Addison - Wesley Publishing Company, p.156

17. These are meant merely to stimulate discussion into an area that has come increasingly to be recognised as a very important aspect of development planning.

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Structure of the Present Educational System[18] in Malaysia:- The present educational system in Malaysia was largely inherited from the British colonialists although much changes have occurred since Idependence particularly with the implementation of the Razak and Rahman Talib reports and the National Educational Policy since 1970. Broadly, this system may be divided into 3 different levels viz the primary, the secondary and the tertiory level.

Education from the first year at school up till Primary Six, which takes six years to complete, is free although pupils are still required to pay certain miscellaneous fees to cover expenses relating to the conduct of sports and other extra-curricular activities. Primary education has yet to be made compulsory for all primary school going children althouth several voices have been heard in the past calling for such a move.

With respect to the primary curriculum, about 40% of teaching time per week is allocated to the teaching of the languages such as Bahasa Malaysia, English, Chinese and Tamil with the objective of enabling pupils to accquire certain basic skills in the understanding of these languages; 32% is devoted to the teaching of civics, history, geography, science and mathematics with the aim of cultivating civic consciousness as well as increased understanding of the environment amongst the pupils;

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18. The educational system referred here is the formal school system.

20% is alloted for physical and health education, art and handwork for the purpose of enhancing the physical, social and moral development of the children and finally the balance of 8% of teaching time is devoted to the teaching of religious subjects like Islamic religious knowledge with the aim of strengthening the pupils' moral and spiritual values.

The major objective of the comprehensive curriculum at the lower secondary level, which is an extension of the curriculum at the primary level, is the provision of opportunities to pupils to follow various types of prevocational subjects apart from the basic or core subjects. To achieve the above objective, 3 optional subjects to be offered for 3 years i.e. Industrial Art, Agricultural Science and Commerce have been introduced. It is hoped that via this system, pupils will be given an opportunity to follow a course of their choice based on their own individual ability and interest. These courses, it must be emphasised, are only part and parcel of a general education and are not meant to prepare pupils for any one particular type of job or profession. (For details of curricula for the lower secondary school in Malaysia, please see Appendix I)..

At the upper secondary level, pupils are channelled into one of the following streams:- Arts, Science, Technical or Vocational, and the curriculum followed is therefore dependent upon which one of the above streams a pupil has been channelled into. (Please see Appendix 2 for weekly time allotted to the various subjects).

There are two major streams at the Sixth Form level viz the Arts and Science. Surprisingly even up to the present stage, much of the curricula for these two streams are determined by the Cambridge University Local Examinations Syndicate although the Ministry of Education and the University of Malaya do forward their views on course contents from time to time particularly with respect to Malay Language and Literature and the General Paper.

The Sixth Form curricula have been designed with two objectives inmind:- (i) to prepare students for the universities; (ii) to prepare students for employment either in the government or private sector. The subjects followed in the two streams are as follows:-

Arts

General Paper, Geography, History, English, Malay, Economics

Science:-

General Paper, Physics, Chemistry, Biology, Mathematics

Recently, a one year matriculation course aimed at preparing students who have obtained their Sijil Pelajaran Malaysia (SPM) or Malaysian Certificate of Education (MCE) for direct admission into the first year of the University has been initiated by Universiti Kebangsaan Malaysia. Presently, only Science subjects plus two language courses are taught at this matriculation course with the aim of ensuring

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an adequate supply of bumiputra students into the Science and Medical Faculties. The University of Malaya will also be implementing a programme of a similar nature beginning from the next academic session.

At the tertiory level, which constitutes the apex of the country's educational system, the courses offered are both wide and complex. The curricula are designed by the individual universities, colleges or polytechnics themselves according to the objective of the education offered by the institution concerned. The general objective is the training of skilled manpower as is required by the development needs of the country. Appendix 3 shows indetail the various types of courses offered by the various institutions of higher learning at the certificate, diploma and degree levels.

Having attempted at a brief and broad survey of the curricula of our country's educational system, it is now timely for us to survey the manpower needs of our country's development programme and thereafter to discuss whether rising public expenditures on education are likely to assist in the generation of development or other wise.

Manpower demand and supply for Malaysia:-[19] The Government conducted a Manpower Survey in 1973 covering the private and public sectors of the economy to assess the extent of the shortages experienced and the

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19. This section draws heavily from the section on 'Manpower Demand and Supply, 1976-80', Third Malaysia Plan 1976-1980, Government Press, p.154-155.

requirements for skilled manpower in the country. Some of the results of the survey together with estimated requirements of skilled manpower for the period 1976-80 are summarized in Table VI.

Table VI: MALAYSIA: MANPOWER SURVEY RESULTS, 1973 AND ESTIMATED REQUIREMENTS 1976-80

	MANPOWER SURVEY 1973							
		Racial distribution (%)						
	Total Employed	Malay and other indigenous people	Chinese	Indian	Others	Total	Vacancies (%)	Estimated[1] requirements 1976-80
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
PROFESSIONAL AND TECHNICAL..	145,517	48.9	39.3	10.5	1.3	100.0	10.4	65,309
Chemists and Physical Scientists..	354	11.6	76.8	11.3	0.3	100.0	20.6	327
Laboratory and Science Technician..	3,824	48.2	37.3	13.9	0.6	100.0	27.8	2,137
Architects & Town Planners	353	21.0	71.4	2.5	5.1	100.0	22.4	180
Engineers ..	2,244	13.5	69.9	12.8	3.8	100.0	22.4	2,764
Engineering Asst. and Technicians	11,824	46.1	34.9	16.4	2.6	100.0	24.0	5,538
Surveyors ..	168	19.1	58.0	13.7	9.2	100.0	19.6	346
Draughtsmen ..	2,979	39.0	53.4	6.6	1.0	100.0	9.1	2,041
Agronomists ..	652	39.1	49.7	8.7	2.5	100.0	38.0	540
Life Science Technicians.	2,070	76.9	20.6	2.0	0.5	100.0	29.1	1,396
Veterinarians..	162	30.8	24.1	42.6	2.5	100.0	19.8	95
Veterinary Asst.	352	62.7	27.6	8.8	0.9	100.0	15.6	127
Medical Doctors	1,915	7.6	49.5	36.7	6.2	100.0	24.0	728
Medical Asst.	2,323	35.3	34.6	28.1	2.0	100.0	16.4	2,414
Professional Nurses	5,623	33.7	55.1	9.0	2.2	100.0	19.4	5,297
Dentists	379	8.4	66.8	16.1	8.7	100.0	20.1	205
Dental Asst.	1,030	24.4	72.1	3.0	0.5	100.0	10.1	578
Accountants ..	1,774	17.9	70.3	11.0	0.8	100.0	19.1	1,971
Lawyers	809	20.3	46.8	29.9	3.0	100.0	5.2	284
Higher Education Teachers ..	1,844	37.5	34.8	16.2	11.5	100.0	50.9	286
Primary & Sec. Teachers ..	79,527	49.5	40.4	9.4	0.7	100.0	3.1	19,872
Other Professic-nal&Technical	20,353	68.0	24.6	6.4	1.0	100.0	16.7	18,183
ADMINISTRATIVE AND MANAGERIAL..	22,605	35.4	55.5	7.3	1.8	100.0	8.6	12,264
Managers ..	12,535	13.0	81.5	3.7	1.8	100.0	3.3	10,472
CLERICAL ..	129,374	39.9	48.6	10.4	1.1	100.0	7.1	58,755
SALES ..	54,041	10.5	82.9	5.9	0.7	100.0	1.7	31,776
SERVICE ..	64,917	70.4	20.2	8.0	1.4	100.0	6.3	145,300
AGRICULTURAL..	105,742	37.9	18.0	43.5	0.6	100.0	3.1	142,309
Farm Managers and Supervisors	7,238	30.4	29.2	38.8	1.6	100.0	3.2	13,701
PRODUCTION ..	210,331	39.2	47.7	12.4	0.7	100.0	4.4	190,123

[1] Data refer to Survey results and therefore are not adjusted for undercoverage and exclusions.

Coloumns I to 7 in the Table are Survey results while column 8 shows the requirements estimated from the output and employment targets of the Plan.

Although the overall vacancy rate was low, the Table shows that vacancies for specific occupations are still high, particularly at the professional and technical level. The vacancy rate was highest (50.9%) for Higher Education Teachers followed by that of 38.0% for Agronomists. The Table also shows the unbalanced racial distribution for certain occupations particularly those of chemists and physical scientists, engineers, medical doctors and dentists where the percentage of Malay and other indigenous people involved in these professions average less than 15%.

The table then goes on to show the estimated manpower requirements for the plan period.For example, it is estimated that 65,309 professional and technical personnel, 19,872 primary and secondary teachers, 18,183 other professional and technical staff, 12,264 administrative and managerial personnel, 145,300 service workers, 142,309 agricultural workers and 190, 123 production workers are required for the Third Plan period.

Table 7 shows the demand and supply of diploma and degree graduates by type of education for the period 1976-80. This calls for increased output of scientific, technical, and agricultural manpower,

particularly at the middle and tertiary level where a balance between the expansion of science and technical subjects at the tertiary level on the one hand and liberal arts on the other should be strike.

Table VII: MALAYSIA: DEMAND AND SUPPLY OF DIPLOMA AND DEGREE GRADUATES BY TYPE OF EDUCATION, 1976-80.

Course	Demand, 1976-80		Supply, 1976-80		Excess(+) or Shortage (-)	
	Diploma	Degree	Diploma	Degree	Diploma (%)	Degree (%)
Arts and Humanities including Business	11,205	7,518	6,383	10,575	- 43	+ 41
Science	9,474	8,330	6,337	7,565	- 33	- 9
Medicine and Dentistry	-	1,050	-	800	-	- 24
Agriculture and Related Sciences	3,200	1,150	2,421	674	- 24	- 41
Other Sciences	6,274	6,130	3,916	6,091	- 38	- 1
Technical	8,177	3,432	5,316	1,793	- 35	- 48
Engineering	4,965	2,122	3,909	1,296	- 21	- 39
Architecture & Town Planning	635	250	881	208	+ 39	- 17
Surveying	252	150	233	37	- 8	- 75
Other Technical	2,325	910	293	252	- 87	- 72
Total	28,856	19,280	18,036	19,933	- 37	+ 3

From the table, several points are worthy of mention:

(i) For the degree level, requirements are expected to exceed output for both the science and technical fields. In the Arts and Humanities including Business, however, output is expected to exceed demand by some 41%.

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(ii) For the science and technical fields, shortages are likely to be acute in agriculture, engineering, surveying and other technical fields.

(iii) Although supply is likely to exceed demand for the degree holders in the Arts and Humanities, a shortage of diploma holders particularly in business management is likely to arise with the rising tempo of economic activity. The shortage of diploma holders is likely to be felt in both the science and technical fields except for Architecture and Town Planning where there is a forecast of a likely surplus of 39% for the plan period.

Although secondary education up till the HSC level is not geared towards preparing students for any specific form of employment, nonetheless it is interesting to compare the supply and demand positions of students with different levels of secondary education.

Table 8 shows the manpower supply and demand of formal school system according to educational qualification for period 1974 - 80.

Table VIII: Manpower supply and demand of formal school system according to educational qualification for period (1974-1980).

Educational Qualification	Actual Stock in 1973	Demand by: 1980	Nett Increase for period:- 1974 to 1980	Supply (output) for period:- 1974 to 1980	Excess (+) or Shortage (-) for peri 1974 to 1980
Lower than LCE	2511190	2822334	311144	660253	+349109
LCE	294150	495484	201334	424167	+222833
SC	271301	472380	201079	338973	+137894
HSC	36381	[illegible]244	46963	22227	- 24736

Notes: (1) Source of manpower demand: Economic Planning Unit

(2) Supply (output): From the formal school system only. Source: EPRD

The table shows that for the period 1974-80 , there will be an excess of supply of manpower for all levels of secondary education except the HSC level where it is estimated there will be a shortfall of 24,736. The excess of supply is particularly acute for those with less than LCE although the situation is just as serious for those with LCE and S.C.

Policy Implications for Educational Planning in Malaysia: Arising from the above comparison of the demand and supply positions of manpower with different levels of education, several policy implications

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may be drawn with respect to educational planning in Malaysia.

As stated above the projected requirement for production workers for the entire Plan period is estimated at 190,000. The implication for educational planning here involves the mode of imparting skills of the right kind so that the manufacturing sector will be ensured of its adequate supply of skilled workers. It has been amply demonstrated that pre employment training of skills in secondary vocational schools is a poor investment in most countries[20]. It is far more advantageous to provide potential workers for the manufacturing sector with general secondary education and then develop their skills on the job. In other words, formal pre employment education should aim at forming trainable people, while the task of developing specific skills should be the responsibility of employers, both public and private.

In some Latin American countries, an interesting arrangement has been worked out. Colombia, for example, has a system of training related to employment in industry which is financed by a payroll tax on all employers who employ ten people or more. The funds thus provided support a training organization called SENA, completely independent of the ministry of education, which trains those who are

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20. F. Harbison, Educational Planning and Human Resource Development, Unesco: International Institute for Educational Planning, p.14.

employed or are about to be employed in the various industries. Similar arrangements exist in Venezuela and Brazil[21].

Malaysia could perhaps explore this possibility, particularly with respect to the financing part, which in fact is line with the intended establishment of a National Industrial Training Council, with representation from both the private and public sectors, under the Ministry of Labour and Manpower[22]. It is the objective of this Council to bring both the sectors closer in the formulation and implementation of training programmes that will ensure that training is more directly related to the needs of employment[23]. If part of the funds for the running of these programmes could come from the private sector as is envisaged in the Plan, then the resources released could be utilized for the financing of general secondary education which is rapidly expanding.

Another essential component of educational planning in Malaysia concerns the balance, more particularly in the field of higher education, between science and technology, on the one hand, and the liberal arts, on the other. This is highly relevant considering the fact that Malaysia will be experiencing a shortage

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21. Ibid

22. Third Malaysia Plan, ibid, p.157

23. Ibid, p.157

of degree holders in science to the tune of 9% and an even greater shortage of 48% in the technical field, while at the same time she will be facing the problem of surplus Arts and Humanities degree holders to the tune of 41% for the entire plan period of 1976-80 (See table 7 above). The obvious policy option to follow is to cut down on the intake of students into the Arts and Humanities faculties while increasing the intake into the Medical, Dentistry, Agriculture, Science, and Engineering faculties. This is infact what is advocated in the Plan[24]. For example, it is recommended that the output of graduates in the Arts and Humanities disciplines shall decline in proportion to the total from 54.5% in 1975 to 45.6% in 1980, while the share in science and technical courses will increase from 45.5% to 54.4%. It is also advocated that significant efforts will be made to increase the output of engineering, medical an agricultural manpower at all levels. In this context, the Universiti Pertanian Malaysia, Universiti Teknologi Malaysia, MARA, Kolej Tunku Abdul Rahman and the Ungku Omar Polytechnic will continue to expand their diploma courses in fields where the country is likely to face a critical shortage of diploma holders as has been identified in Table 7.

The above suggestion, although a sound one in relation to the development needs of the country, is fraught with several practical problems. One concerns the question of finance. Education in Science

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24. Ibid, p.155

and engineering costs roughly four times more per student than education in the arts, humanities and law so that financial necessities may compel any expansion in the intake into the science, engineering and medical fields to be at the expense of a substantial reduction in the intake into the Arts and Humanities faculties. This leads us to the second problem which is essentially social and political in nature. The continuing expansion of sixth form education in the arts will lead to increasing numbers aspiring for places in the Universities so that any drastic cut-back in their intake may be met with considerable resistance and if implemented, may lead to widespread frustrations. The continued aspiration of sixth formers in the Arts for a place in the university even in the light of declining demand for arts and humanities graduates has some relation with the structure of incentives and wages in our Malaysian economy. This leads us to the next important aspect of educational planning - the choice of incentives. The question here is, do you rely on the free play of the market or do you provide incentives and monipulate them constantly, as the situation demands, so as to create differential salary scales, raise the financial rewards and status of particular types of jobs and lower them for some others? If, for example, the status of a university graduate, particularly in developing countries, is high and if a B.A. can earn far more than non-graduates including those in the medical and technical fields, then the clamour for University education even in the Arts and humanities will continue to mount as is evidenced by the increasing

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applications for University places each year in our own country. For example, the salary of a female B.A. is, on average, at least 2½ times that of the salary of a nurse in Malaysia. Further, the view, rightly or wrongly, that an expanding economy will need more B.A's or or B.Ec's as administrators and teachers will help add on to the pressures for admission.

Confronted with a situation of this kind you can leave the differentials in pay and status as they are, or you can work out a new system of remuneration which rewards the nurse willing to assist in the promotion of public health in the rural areas just as much as a B.A. administrator who refuses to budge from her office in the urban centre. These are difficult choices to make, but unless they are made thoughtfully great amounts of money will be wasted. The study of incentives is an integral and indispensable part of educational planning just as much as it is an integral and indispensable part of development planning.

Educational planning in Malaysia has next to concentrate its attention on the curricula, briefly surveyed absove and its impact on attitude towards the various categeries of work, particularly those in the technical (blue collar) and agricultural fields. Unless attitudes

inculcated in our school - leavers towards jobs of a technical and agricultural nature are correct, there may arise the problem of a divergence between the need for technicians and agricultural workers and the demand for those jobs. In fact, a clear distinction must be made between needs and demand in the context of manpower studies and education. Needs are determined by the manpower assessment and represent the country's manpower or educational requirements to meet specific social, political and economic goals. Demand reflects individual desires to prepare for a particular profession or trade, the desires forgiven types of education and these are very much determined by the structure of incentives which we have discussed earlier and the attitudes generated. For example, a general secondary education that places too much emphasis on the academic rather than vocational and agricultural subjects may churn out students who are generally contemptous of technical training and especially of agricultural training[25], even though a country may be experiencing critical shortages of skilled manpower in these two fields as is the case with Malaysia (again see Table 7 above). These educated may possess limited functional mobility in the sense that they prefer to look for non-manual work and are not prepared to accept work that soils their hands[26]. Thus problem may however be lessened if job openings of a white-collar nature are persistently being reduced.

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25. Keith B. Griffin and John L. Enos, ibid, p.162

26. Gunnar Myrdal, 'The Effect of Education on Attitudes to Work', in Richard Jolly etc, 'Third World Employment-Problems and Strategy, 'Penguin Modern Economics Readings, p.195.

In the light of the above, as much emphasis should be placed on changing the curricula particularly at the secondary level, from being too academic oriented towards being more vocational and agricultural biased, as on its mere expansion. For example, the Third Plan estimates that Malaysia needs agricultural manpower to the tune of 190,000 for the entire plan period. This coupled with the fact that Malaysia is predominantly an agricultural country[27] implies that she requires an educational reform that emphasises as much on agricultural as vocational training. Unless this is done, the agricultural sector, the backbone of the Malaysian economy, may be starved of manpower who are receptive to technical changes that are likely to raise productivity[28]. This may prove to be one of the constraints of development in Malaysia.

Once the curricula has been reformed, attention will have to be paid to its expansion and within the realm of expansion, attention will have to be paid towards what levels of education should be expanded. For example, what emphasis should be made on primary, secondary and higher education when making investments in education?

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27. For example, value added in the agricultural sector accounted for about 30% of GDP in 1975, see Third Malaysia Plan, ibid, Table 2-I, p.12.

28. Of course, many other factors influence the willingness and readiness of the agricultural farmers to accept technical changes which again is only one of several factors affecting agricultural productivity.

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Shall we have universal primary education but at the expense of secondary or tertiary educational or shall we give top priority to secondary education? No strategy of educational planning is complete until this choice has been made. It would seem to us that the Third Plan is lacking in this essential choice. What is done in the Plan is the projection of enrolment demands at the various levels of education up till the upper secondary level and to make recommendation for their required expansion[29].

Related towards the choice between expansion of the different levels of education is the related choice between quality and numbers. Which is to be emphasised? In the field of university education, for instance, do you aim at increasing numbers resulting in poor lecturer student ratio and increasing workloads for lecturers resulting in poorer quality teaching or do you emphasise on lesser numbers but better quality products? The question is, what kind of balance do you strike between these two types of higher education, since you cannot have both numbers and quality? This choice is particularly relevant to Malaysia which has in the past five years seem a rapid expansion in tertiary education particularly with the establishment of four more universities together with the expansion at the oldest and most established university in the country.

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29. See Third Malaysia Plan, ibid, Chapter XXII.

Table 9: MALAYSIA: ENROLMENT INCREASES IN TERTIARY EDUCATION 1970-75

	1970	1975	Increase(%) 1971-1975
College level			
Politeknik Ungku Omar	493	1,136	130.4
Institut Teknologi Mara	2,142	7,872	267.5
Kolej Tunku Abdul Rahman	1,195	4,133	245.9
University Level			
Universiti Malaya	7,777	8,056	3.6
Universiti Sains Malaysia	271	2,851	952.0
Universiti Kebangsaan Malaysia	169	2,562	1,416.0
Universiti Pertanian Malaysia	585	2,[illegible]	354.0
Universiti Teknologi Malaysia	692	2,263	227.0
Total	13,324	31,529	136.6

The clamour for higher education has become so great and so general that, politically, it has become almost impossible to slow down this expansion of university education.

Once the composition of the educational programme and the number of people to be trained at the different levels has been determined, the next task is to minimize the costs of training, buildings and equipment. Indeed, in country after country, the share of government budgets going to education has already reached the point where the International Institute of Educational Planning, on offshoot of UNESCO refers to a 'World Crisis in Education' and argues that the

limit on educational expenditure, at least as a proportion of the government budget, has been reached.[30] The situation in Malaysia is no less different with 12% of Federal Government expenditure being allotted to education.[31]

There is very little of a general nature that can be said about this problem except that planners should be keen in their search for alternative "techniques of production" and lower cost"inputs"[32].

Finally, though by no means the least important, educational planning in the context of multi-racial Malaysia should pay due attention towards the promotion of national unity. In fact, the Third Malaysia Plan gives considerable emphasis to this objective and rightly so when it is stated that "the educational system shall be strengthened for the promotion of national integration and unity through:-

(a) the continued implementation, in stages, of Bahasa Malaysia as the main medium of instruction at all levels;

(b) the development of personality, character and good citizenship and the promotion of moral discipline through curriculum and extra-curriculum activities;

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30. Dudley Seers and Leonard Joyedited, 'Development in a Divided World', Pelican Original, p.209.

31. Treasury Economic Report 1975--76, Chart 2, p.5.

32. Keith B. Griffin and John L.Enos, ibid, p.167.

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(c) narrowing the gap in educational opportunities between the rich and poor, and among the various regions and races in the country, through a more equitable distribution of resources and facilities; and

(d) the eventual integration of the educational systems in Sabah and Sarawak into the national system"[33].

In close relation to the objective of promoting national unity is the question of encouraging more Malays and other indigenous students to pursue studies in theprofessional ,technical, and managerial fields in line with the New Economy Policy. As can be observed from Table 6 , the shortage of bumiputra chemists and physical scientists, architects and town planners, engineers, medical doctors, dental surgeons, accountants and managers is rather acute. In the light of the above, steps have been taken and will be taken to it increase the output of bumiputras in the professional, technical and managerial fields. These include increasing the intake of bumiputra students into the science, Engineering, Medical and Dentistry Faculties at the University of Malaya besides expanding the intake into these other related fields at the Universiti Kebangsaan Malaysia, Universiti Pertanian Malaysia, Universiti Sains Malaysia and Universiti Teknologi Malaysia.

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33. Third Malaysia Plan, ibid, p.391

A major problem faced here is the lack of a sufficient number of bumiputra students with the minimum admission qualifications applying for places into the science and technical faculties at these various Universities. This could be due to past neglect and the structure of wage incentives which do not discriminate between Arts and Science graduates, particularly in the public sector. Hence there may still exist this tendency amongst some bumiputra students to opt for the relatively easier Arts and Humanities courses at the universities, and be subsequently absorbed into the Civil or Teaching Service rather than slog in the other more competitive fields. Attempts are now being made to rectify this as is evidenced by governmental or semi-governmental bodies being more willing to finance bumiputra students to pursue further studies in the science and technical fields either at home or abroad plus the bright prospects for bumiputra scientific and technical personnel that now exist both in the private and public sectors.

To ensure an adequate supply of bumiputra candidates into the scientific and technical faculties, Universiti Kebangsaan Malaysia has initiated a matriculation course aimed at preparing its students, all of whom have achieved reasonably good results in Science either at the S.P.M. or M.C.E, for the Science and medical courses offered at the University. Preparations are being made to initiate this programme

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at the University of Malaya which has for several years been conducting Pre-Science, Pre-Engineering and Pre-Medical courses for bumiputra students.

Apart from these institutions, MARA has also implemented a number of programmes aimed at increasing the supply of scientific and technical manpower among the Malays and other indigenous people[34].

In summary, this section of the paper argues

(i) that educational planning is an essential component of overall development planning although there is in general no direct relationship between expenditure on education and increases in national output. An educational plan is of value only in so far as it is part of an overall long-range programme of social and economic development.

(ii) within this context, the plan for education in Malaysia must be linked to estimates of manpower needs and availabilities with attention being paid to the specific requirements of certain skills during the Third Malaysia Plan. This calls for increased output of scientific, technical, and agricultural manpower, particularly at the middle and tertiary level where a balance between the expansion of science and technical subjects at the tertiary level on the one hand and liberal arts on the other should be strike.

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34. Third Malaysia Plan, ibid, p.387

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(iii) However, the supply of certain categories of skilled manpower may be constrained by the structure of incentives and attitudes. If necessary, the former must be changed in order to entice sufficient numbers to enter into fields where Malaysia will be experiencing critical shortages and with respect to the latter, attitudes of contempt towards work of a vocational and agricultural nature may be a result of our curricula being too academic as opposed to being vocational and agricultural oriented.

(iv) Therefore agricultural training should be made part and parcel of the curriculum at the secondary level in order to generate the correct attitude towards agricultural work and in order to ensure an adequate supply of trained agricultural manpower.

(v) Although some vocational training at the secondary level is essential, the paper emphasises that informal on-the-job training coupled with training related to the type of work to be done will fetch in returns far more than formal training in vocational schools.

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(vi) Once the curricula has been determined, educational opportunities should be expanded in line with population growth although educational planning in Malaysia has to determine which level of education should be given priority in its expansion programme apart from having to strike a balance between quantity and quality.

(vii) Educational expansion entails increasing costs which should be minimized.

(viii) Finally the paper emphasises on education as an important vehicle for achieving national unity and the New Economic Policy. Having discussed the need for educational reforms, we now turn to an analysis of the various employment strategies that have been adopted and will be adopted in an attempt to reduce the growing seriousness of the unemployment problem in Malaysia.

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PART 3: Employment Strategy in West Malaysia

In recent years West Malaysia has seen the growth of an urgent problem - unemployment. The unemployment problem seems to loom larger now than it did during the early years of the country's Independence. It has now emerged as a central problem in the development planning in the country. Since Independence the rate of job creation at an average of 2.6% per annum reflects a fairly satisfactory performance. However, the labour force has been found to expand by about 2.9% per annum following the steady upsurge of the population growth both in the urban and rural areas. The disproportionate growth in the population and expansion in job creation has resulted in an increase in unemployment as a percentage of the labour force. By about early 1960's the unemployment rate has risen to around 6%. The unemployment problem has then grown to be more serious than that in the middle 1950's.

During the First Malaysia Plan period from 1966 to 1970, the economy maintained an annual growth rate of six per cent; but the country's officially computed unemployment rate rose from 6.5% to 8%. By 1973 and 1974, it had been brought down to 7.3% and 7.2% respectively. Over the period 1970-75 which coincided with the Second Malaysia Plan, 1971-1975, employment has been projected to increase at an unprecedented rate of 3.2% per annum but the number of jobs to be created is expected to lag behind the increase in the labour force. In fact, "in the last

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year (1975), total employment grew by less than one percent as compared with 1973's five percent growth and 1974's three percent rise"[35]. The incidence of unemployment thus continues to become a serious problem and has been projected to remain at 8% for the period of the Second Malaysia Plan.

The intensity of the unemployment problem has been prominent not only in the urban areas where the unemployment rate has been 20-25% of the labour force with a high percentage of youth unemployment, but also equally a serious problem in the rural areas where the rate of unemployment affects 30-35% of the labour force ranging from 15-64 age groups. In addition, underemployment remained widespread.

rural - 35%
urban - 29%

A major feature of unemployment in West Malaysia, both in the urban and rural areas, is its heavy concentration among the young. In the urban areas the incidence of unemployment among the young for the age groups 15-19 and 20-24 has been 29.0% and 15.8% respectively in the late 1960's[36]. This has since increased with the increasingly growing number of job seekers registered at the various Employment Offices throughout West Malaysia. As for the rural areas the corresponding rates were 16.8% and 9.1% respectively[37]. Such concentration of unemployment

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35. New Straits Time, Friday June 18, 1976

36. Department of Statistics, Socio-Economic Sample Survey of Households: Employment and Unemployment in West Malaysia, 1967-68, K.Lumpur.

37. Department of Statistics, ibid.

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among the younger age groups reflects not only the disproportionate numbers of younger persons within the whole population, but more so the rapid expansion of education which each year produces and encourages larger numbers of school leavers to aspire for wage earning jobs far in excess of the number of employment opportunities and openings available. This has been also, and further, aggravated by the mobility of especially youth labour from rural to urban areas as a result of accelerated social change, process of urbanisation, and the response to urban-rural differences in expected earnings.

The growing seriousness of unemployment and the range of causes underlying it have fostered the need for major changes in the country's development planning to combat the significantly increasing levels of unemployment. The strategy for employment has been transmitted through the objectives of the country's Five-Year Development Plans, particularly so since the First, Second and Third Malaysia Plan, and in the recently introduced New Economic Policy (NEP).

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Table 10: Actual and Planned Annual Rate of Growth in Employment by Sectors 1960 - 70

Sectors	1960 (Actual) (000)	1965 (Actual) (000)	Increase (Actual) (000)	Annual Growth Rate(%)	1965 (Actual) (000)	1970 (Planned) (000)	Increase (Planned) (000)	Annual Growth Rate(%)
Agriculture	1277	1388	111	1.7	1388	1533	165	2.3
Mining	47	61	14	6.0	61	0	0	0
Manufacturing	149	173	24	3.2	173	209	36	3.8
Construction, Transport and Utilities	150	210	60	7.0	210	252	42	3.7
Government Services	200	257	57	5.1	257	312	55	4.0
Other Services	351	429	78	4.1	429	508	79	3.4
Total	2174	2518	344	3.0	2518	2895	377	2.8

Source: First Malaysia Plan 1966-70

Strategy for Employment 1966-1980

1. First Malaysia Plan (FMP) 1966-1970

Under the FMP, the government postulated the objectives of generating employment opportunities at a rate sufficient to provide productive work for new entrants to the labour force and lower the rate of unemployment. Over the period of the Plan, employment was projected to increase by 377,000 jobs to represent an average annual rate of increase of 2.7%. In accordance with government policy, the strategy

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for employment under the FMP can be streamlined to focus on:

i) Agricultural employment with the opening for development of "sufficient new lands to keep pace with the formation of new farm families";

ii) Private sector employment through basic and new manufacturing industries consistent with the available resources of the country "to stimulate new lines of activity, both agricultural and industrial, so as to reduce the nation's dependence on rubber and tin";

iii) Employment in the construction, transport and utilities sector, and

iv) Education planning and training "to educate and train Malaysians from all walks of life in order to equip them for effective participation in the process of economic and social development"[38].

In West Malaysia, and similarly in most other developing countries, where agriculture continues and remains to be the mainstay of the economy, it is imperative that the strategy for employment looks upon the agricultural sector for the possibility of creating productive employment opportunities to tackle the rising unemployment problem. The agricultural sector has been the source of employment in the economy. Since 1960's the agricultural sector has catered for more than half of the country's employed labour force working either in smallholding agriculture, as

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38. For a detail picture, see First Malaysia Plan, 1966-1970

estate workers or unpaid family workers, and in forestry or fishing or in agricultural activities requiring substantial processing (rubber, palm oil, tea, etc).

Under the FMP, the agricultural sector was expected to provide for the largest absolute increase in employment. The provision of 165,00 jobs over the Plan period to represent an annual growth rate of 2.3% in the agricultural sector was envisaged. The prominent strategy has been through investments in land development programmes, drainage and irrigation for new areas and double cropping programmes. The emphasis laid on the land development programmes took the advantage of the abundant land resources available. This was spearheaded by the Federal Land Development Authority (FELDA), a government agency for the development of virgin land, followed by land development schemes of State Governments and private agencies. The land development programmes together with drainage and irrigation work have been satisfactory in bringing new acreages into cultivation and increasing the double-cropped areas and therefore providing employment opportunities.

Besides agriculture, the manufacturing sector being another major source of employment was also expected to provide for a large absolute increase. The manufacturing sector was expected to provide

36,000 jobs at an annual rate of increase of 3.8% or an average annual increase of 7,200 jobs.) This coincided with the government's adoption of policies towards further growth of the private sector, particularly the modern industrial sector including small-scale industries.

Since mid-1960's the government has worked towards rapid economic growth of the economy. Rapid industrial development for productivity and growth has been adopted through growth in both local and foreign investments, extension of industrial incentives, improvement in export performance, and other strategies such as import-substituting industrialisation programmes. (The growth of manufacturing sector has been aimed at the achievement of economic growth and to diversify the economy to reduce dependence on the narrow range of commodities and therefore increase employment opportunities.

The strategy also focussed on other sectors such as commerce, construction, transport, services and utilities. These five sectors had been projected to cater for an increase of 42,000 jobs at an average annual rate of 3.7 percent. They provide considerable room for employment opportunities in view of the substantial expansion programmes in the various activities envisaged over the Plan period.

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Complementary to these strategies, education planning and training plays an important role in the development planning and the strategy for employment. Under the FMP, education and training were accorded very high priority with an allocation amounting to nearly 10% of total public development expenditure based on the premise to reorient output to manpower demand. Education planning has been looked upon as a machinery for manpower planning and development. In fact, investments in education and training have been considered as a prerequisite to manpower development towards manpower requirement of the country.

Observations on the various strategies for employment under the FMP have shown to be quite unsatisfactory. It has been observed that the achievement is below the projected target. The total number of jobs created over the FMP period was 350,000 which is 27,000 short of the projected target of 377,000. Consequently the incidence of unemployment went up from 6% at the start of the Plan to about 8% in 1970.

51/-

Table 11: Employment by Sector 1965 - 1970

Sectors	1965 (000)	1970 (000)	Increase (000)	Average Annual Growth rate(%)
Agriculture	1350	1454	104	1.5
Mining	66	64	-2	-0.6
Manufacturing	217	270	53	4.5
Construction	90	103	13	2.7
Electricity, Water and Sanitary Services	16	19	3	3.5
Transport, Storage and Communications	101	110	9	1.7
Commerce	287	340	53	3.4
Services	463	580	117	4.6
Total	2590	2940	350	2.6

Source: Second Malaysia Plan, 1971-75,p.98

The unsatisfactory picture of the provisions for greater employment opportunities over the FMP period had been reflected as early as during the Mid-term Review of the FMP over the period 1966-68. It was pointed out that "The Plan projected a rate of growth of employment of 2.8% per annum or the creation of some 380,000 new jobs during the five year period. It is not likely that this rate of growth has infact been achieved during the period under review. In part it appears that

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output growth has been associated more with enhanced productivity than increased employment in sectors like rubber, manufacturing and transport. Moreover, the rate of investment growth itself fell short of its target."[39].

For agricultural employment, the target of the annual growth rate of 2.3% over the Plan period was considered ambitious when compared to the annual growth of only 1.7% obtained over the period of ten years from 1956-65. Over the period 1956-65, it had been observed that land development programmes particularly through the achievement of FELDA produced an impressive and satisfactory performance in creating agricultural employment opportunities. However, under the FMP period the expected repeat performance from land development programmes was far from being fulfilled. Over the period 1966-70, only Felda managed to maintain a satisfactory rate of development and therefore employment opportunities. There was only limited success with the land development schemes of State governments and a beginning was effected in accelerating land development by the private sector. Nevertheless, there had been a general decline in the rate of development of new land by the public and private sectors over the Plan period. And as the land development programme constituted the main determinant of the rate at which agricultural employment is to be created the decline resulted in an adverse effect on agricultural employment opportunities. It was estimated that the number of jobs created in the agricultural sector

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39. Mid-Term Review, First Malaysia Plan, 1966-70 p.16

53/-

over the FMP period accounted for not more than three-fourths of the number which would have been required to meet increases in the agricultural labour force. The number of jobs actually created was only 104,000 when compared to the target of 165,000 jobs set for the agricultural sector over the Plan period[40].

Table 12: Actual Acreage Developed, 1961-65 and 1966-70. and Acreage Planned, 1971-75 By Type of Programme (000 acres)

	Acreage Developed 1961-65	Acreage Developed 1966-70	Acreage Planned 1971-75
FLDA	119.3	179.0	275.0
Fringe and Controlled Alienation	223.8	53.7	25.0 - 40.0
Youth Schemes	-	5.3	75.0
SEDC	21.8	30.3	50.0
Block Planting and State Schemes	34.8	15.3	150.0
Private Estates	140.1	46.0	112.5
Joint Ventures (Private Sector and Public Bodies)	-	-	50.0
Total	539.8	329.6	737.5 - 752.5

Source: Second Malaysia Plan, 1971-75 p.125-34

40. David Lim, Economic Growth and Development in West Malaysia 1947-70, Oxford University Press, 1973 p.164

54/-

Table 13: Land Alienated and Developed for Agriculture and Land Developed as a percentage of Land Alienated for Agriculture by Type of Programme, 1961-65 and 1966-70.

Type of Programme	Alienated ('000 Acres)		Developed ('000 Acres)		Developed / Alienated (%)	
	1961-65	1966-70	1961-65	1966-70	1961-65	1966-70
FLDA	176.1	132.1	119.3	179.0	67.7	135.5
Fringe Alienation	128.5	11.3	115.6	11.7	90.0	103.5
Youth Schemes	-	9.8	-	5.3	-	54.1
Controlled Alienation	187.7	106.3	108.2	42.0	57.8	39.5
State Economic Development Corporations (SEDC)	121.8	101.0	21.8	30.3	17.1	30.0
Private Estates	139.0	225.8	140.1	46.0	100.8	20.4
Block Planting and State Schemes	135.0	28.2	34.8	15.3	25.8	54.3
Total	888.1	614.5	539.8	329.6	60.7	53.6

Source: Second Malaysia Plan 1971-75 p.125-6

The Acreage of land developed could imply the strength of employment creation and availability of opportunities for agricultural employment. The bigger the acreage, the more would be the provision for employment opportunities.

The manufacturing and service sectors of the economy however provided quite a satisfactory picture of the provisions for employment opportunities over the period 1966-70. Services, including commerce, provided nearly 50% of the new jobs, while manufacturing accounted for over 15% and construction nearly 4%. All these sectors thus contributed

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more to job creation than their share in the total employment at the start of the Plan[41]. (See table 11).

2. Second Malaysia Plan (SMP) 1971-75

With an 8% level of unemployment prevailing at the end of the FMP period, the Second Malaysia Plan had a great task to reduce the intensity of unemployment. The challenge is further exarcebated by an annual population growth rate of 2.8% and the expected growth rate of labour force at an average annual rate of 3.2% over the 1971-75 period.

The employment target was envisaged at 596,000 new jobs or 119,000 jobs per year, or an average of 30,000 more jobs per year than under the FMP. Again, as in the FMP, emphasis was laid in the agricultural sector absorbing 125,000 jobs or 25.3% over the SMP period; whereas other sectors was expected to contribute about three-quarters of the total employment growth during the period. The biggest absolute increase has been projected for the service sector (about 230,000 jobs) followed by industrial and manufacturing sectors with 138,000 and 108,000 jobs respectively.

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41. According to David Lim, ibid, the figures of employment creation in manufacturing, service and construction, transport and utilities sectors have to be interpreted with caution as there exist large discrepancy between the data given for 1965 in the FMP and that given in the Second Malaysia Plan (SMP).

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The strategy for employment under the SMP was almost similar to that formulated under the FMP but at a greater dose and in a different tone with the introduction and incorporation of the New Economic Policy (NEP). Incorporated in the strategy for employment over the SMP period was the implications of NEP to restructure the society in terms of reducing severe imbalances in employment in the various sectors of the economy as well as within particular industries and the redistribution and creation of productive employment opportunities[42].

The employment strategy fomulated for the period 1971-75 consists of six elements, namely,

i) Promotion of rapid economic growth through the expansion of the public sector and the growth of the private sector;

ii) The opening up of new areas of land settlement;

iii) Increased use of labour as a factor of production;

iv) Establishment of education and training programmes that are in line with the development requirement of the country;

v) Increasing the mobility of labour and improving the placement services;

vi) The provision of special youth employment programmes.

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42. Second Malaysia Plan, 1971-75, p.1-9

The provisions for employment opportunities, as envisaged in the employment strategy, over the Plan period showed some new moves to counter the growing intensity of unemployment. With the view of accomodating the NEP, the strategy has been constructed to achieve a level of human resource development which will be consistent with the country's broader aim of social, political and economic development. The strategy also aimed at greater economic growth and development as well as greater economic stability of the whole economy to remedy the increasingly emerging unemployment problem. The strategy over the period 1971-75 seemed to differ from the previous strategy in that the government is taking a greater active part in the industrial programme. There will be greater investment in relatively labour-intensive activities rather than those purely capital-intensive owing to the low opportunity cost of labour relative to capital and therefore an increase in the rate of growth of employment for any given level of investment and an increased use of labour. In addition, there are programmes to employ the young jobless persons in minor capital projects such as land clearance, maintenance, construction of roads, and irrigation works.

The promotion of rapid economic growth through the expansion of the public and private sector, particularly in the modern industrial sector including small scale industries, construction and service industries was to maintain the momentum of growth of the industrial development programme and to provide for the distribution of employment

opportunities and fairer composition of the labour force in employment in these sectors in line with the NEP to reduce "economic imbalances". The growth of the industrial development programme, over the FMP period, has successfully brought about a faster economic growth. It had encouraged the development of fairly capital-intensive lines with new and old industries changing technology into a direction of capital-using technology. Whilst labour intensive industries and labour-saving technology had been progressing very slowly, thus a low provision for employment opportunities. However, with growing intensity of unemployment, and the introduction of the NEP, the strategy for employment has included an employment growth strategy towards increasing the absorptive capacity making labour a more attractive factor of production in line with the factor endowment of the country.

Over the SMP period, there has been some improvement in the provision for employment opportunities. The employment growth in accordance to the NEP has also improved. The general employment grew at the rate of 3.3% per annum with a decline, but still remains high, in the unemployment rate for youth and an improvement in the hard-core unemployment situation and the job seekers with a lower and middle secondary education[43]. In line with the NEP, there has also been an

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43. The unemployment rate for youth in the age group 15-19 in general declined from 22.8% to 16.6% with a decline from 28.3% to 18.8% in urban areas and from 19.9% to 15.6% in rural areas. The proportion of unemployed for a duration of one to three years fell from 29.2% to 24.0%, while for job seekers the majority of whom had lower secondary and middle education who together constituted 55% of the total unemployed fell from 33.1% to 24.8% and 23.4% to 16.5% respectively. Third Malaysia Plan, 1976-80 p.141

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absolute increases in employment by race[44].

The picture of the provisions for employment opportunities over the SMP period showed that the four sectors of the economy - agriculture, manufacturing, services and wholesale and retail trade - account for almost 90% of the increases in new jobs. It had been observed that 24% of the total came from employment in the services sector, 26% from agriculture, 18% from manufacturing and 20% from wholesale and retail trade. When viewed along the NEP there had been an increase in Malay employment in manufacturing and commerce from 28.9% to 33.1% and 23.5% to 31.6% respectively and with substantial increase in mining, construction, utilities and transport. As for the Chinese, employment in agriculture and utilities has not grown in line with the long-term target of increasing their share in these sectors, whereas for the Indians there had been a rapid fall in employment in the commercial and services sectors[45].

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44. Employment among Malays and other indigenous people grew by 4.0% per annum from 1.4 million in 1970 to 1.7 million in 1975; that of Chinese grew by 3.1% per annum from 1.0 million in 1970 to 1.2 million in 1975, and among the Indians by 2.8% per annum from 297,600 in 1970 to 341,700 in 1975. Third Malaysia Plan 1976-80 p.141

45. Third Malaysia Plan, 1976-80 p.143

60/-

Table 14

PENINSULAR MALAYSIA: EMPLOYMENT BY RACE AND SECTOR, 1970 AND 1975

1970	Malay	Percentage of sector total	Chinese (000)	Percentage of sector total	Indian (000)	Percentage of sector total	Others (000)	Persentage of sector total	Total (000)	Persentag of total employmen
Agriculture, forestry and fishing	951.1	67.6	300.9	21.4	142.0	10.1	12.0	0.9	1,406.0	50.3
Mining and quarrying	21.1	24.8	56.3	66.0	7.2	8.4	0.7	0.8	85.3	3.0
Manufacturing	76.3	28.9	172.6	65.4	14.0	5.3	1.0	0.4	263.9	9.4
Construction	16.8	21.6	55.9	72.0	4.7	6.1	0.2	0.3	77.6	2.8
Utilities	8.0	48.2	3.0	18.1	5.4	32.5	0.2	1.2	16.6	0.6
Transport, storage and communications	50.9	42.6	47.3	39.6	20.4	17.1	0.8	0.7	119.4	4.3
Commerce	82.5	23.5	229.1	65.3	37.5	10.7	1.8	0.5	350.9	12.6
Services	229.9	48.5	169.2	35.7	66.4	14.0	8.5	1.8	474.0	17.0
TOTAL	1,436.6	51.4	1,034.3	37.0	297.6	10.7	25.2	0.9	2,793.7	100.0
Population	4,822.0	52.7	3,274.0	35.8	978.0	10.7	73.0	0.8	9,147.0	100.0
Labour Force	1,563.0	51.5	1,111.6	36.6	334.4	11.1	26.0	0.8	3,035.0	100.0
Unemployment	126.4		77.3		36.8		0.8		241.3	
Unemployment (%)	8.1		7.0		11.0		3.1		8.0	
1975										
Agriculture, forestry and fishing	1,032.6	67.3	317.6	20.7	170.3	11.1	13.8	0.9	1,534.3	46.2
Mining and quarrying	27.7	33.1	47.6	56.9	8.0	9.5	0.4	0.5	83.7	2.5
Manufacturing	120.1	33.1	217.3	59.9	24.3	6.7	1.1	0.3	362.8	10.9
Construction	28.1	28.8	58.6	60.2	10.2	10.5	0.5	0.5	97.4	2.9
Utilities	13.1	61.2	3.0	14.0	5.1	23.8	0.2	1.0	21.4	0.7
Transport, Storage and Communications	76.0	47.2	80.4	37.5	23.5	14.6	1.1	0.7	161.0	4.9
Commerce	145.2	31.6	281.8	61.3	32.3	7.0	0.5	0.1	459.8	13.9
Services	302.2	50.6	217.8	36.5	68.0	11.4	9.0	1.5	596.8	18.0
TOTAL	1,744.8	52.6	1,204.1	36.3	341.7	10.3	26.6	0.8	3,317.2	100.0
Population	5,510.0	53.1	3,687.0	35.5	1,105.0	10.6	83.0	0.8	10,385.0	100.0
Labour Force	1,873.1	52.2	1,297.9	36.2	389.0	10.8	30.0	0.8	3,590.0	100.0
Unemployment	123.3		93.8		47.3		3.4		272.8	
Unemployment (%)	6.9		7.2		12.2		11.3		7.6	

Source, Third Malaysia Plan p.142.

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Over the period of the SMP, 1971-75, the intensity of unemployment was seen to decline from 8% in 1970 to 7.0% in 1975. Much of the success in reducing the unemployment intensity can be explained by the rapid expansion of public and private sectors, particularly with encouraging industrial incentives given to the modern industrial sector. The incentives such as pioneer status, investment tax credits, tax incentives and labour utilisation, have encouraged favourable rates of labour absorption. The factor intensity of the industrial sectors seemed to align with the factor endowment of the country. In addition, there was greater active participation by the government in planning employment programmes thus generating sufficient employment opportunities. However, as there was discrepancy about the data for the FMP, the SMP also faced similar problem. The SMP gave the data for unemployment at 1970 as 8% whereas the Third Malaysia Plan gave a figure of 7.4% as the level of unemployment in 1970. This discrepancy would possibly mean having to accept the success of reducing unemployment over the SMP period with caution and reservation. Nevertheless, the SMP period has brought down the incidence of unemployment; but at 7% level of unemployment it is still considered high as to cause some concern over its seriousness.

Third Malaysia Plan (TMP) 1976-80

The previous two Plans have not successfully reduced the incidence of unemployment in the country. The intensity of the problem still remains high at the start of the TMP. Table 15 shows the projections of sectoral employment growth over the period 1976-80. The target is to create

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743,000 jobs during the Plan period to reduce the unemployment rate from 7.0% of the labour force in 1975 to 6.1% in 1980. The new provisions for employment opportunities is to be absorbed by four sectors - manufacturing (23%) agriculture (17%), wholesale and retail trade and public administration including health, education and defence (42.0%) - which are expected to account for about 82% of the increase in new job opportunities[46].

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46. Employment in the manufacturing sector is expected to grow at 7.4% per annum; wholesale and retail trade and public administration including health, education and defence are estimated to generate 312,000 jobs; and the agricultural sector is expected to contribute 126,000 jobs. Third Malaysia Plan 1976-80.

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Table 15

MALAYSIA: EMPLOYMENT GROWTH, 1975-80

	1975		1980		
	Estimated employment	Share of total	Estimated employment	Share of total	Incr 1976
	(000)	(%)	(000)	(%)	(00
Agriculture, forestry and fishing	1,936.8	49.3	2,062.7	44.2	125
Mining and quarrying	86.6	2.2	88.5	1.9	1
Manufacturing	398.2	10.1	568.1	12.2	169
Construction	113.2	2.9	144.3	3.1	31
Utilities	23.9	0.6	29.8	0.6	5
Transport, storage and communications	179.4	4.6	216.6	4.6	37
Wholesale and retail trade	495.9	12.6	648.6	13.9	152
Banking, insurance and real estate	32.7	0.8	42.8	0.9	10
Public administration, education, health and defence	508.8	13.0	667.8	14.3	159
Other services	152.3	3.9	201.3	4.3	49
TOTAL	3,927.8	100.0	4,670.5	100.0	742.
Population	12,249.0		13,976.0		
Labour Force	4,225.0		4,972.8		
Unemployment	297.2		302.3		
Unemployment (%)	7.0		6.1		

Source: Third Malaysia Plan, p.151

The employment strategy under the TMP is more or less an expanded and concerted effort of that formulated under the SMP period. It aims not only at expanding job opportunities but also to reduce under-utilisation of labour through provisions of productive employment opportunities. The strategy constitutes firstly, the expansion of the economy with continuing emphasis to be placed on growth of industries and the overall pace of economic activity to generate productive employment opportunities and high labour absorptive capacity; secondly, the expansion of land development schemes for direct and immediate impact in improving agricultural employment oportunities. In addition, there is also the implementation of policies and programmes to expand the supply of skilled and trained manpower through education and training and to facilitate employment promotion through labour laws and industrial relations. On the whole, the strategy for employment under the TMP aims to enhance the development of human resources in accordance with the objectives of the NEP.

Overall emphasis has been given to both the rural and urban sectors employment-for the rural sector the government plans to expand employment opportunities through new land development, establishment of new growth centres and the absorption of excess labour in other sectors of the economy; whereas in the case of the urban sector the strategy focuses on expanding job opportunities in manufacturing and construction, including the promotion of small-scale industries.

The TMP has been very optimistic in its projections to reduce the intensity of unemployment. It has in fact envisaged the improvement in employment both in terms of the quantity and quality of employment sufficient to reduce progressively the rate of unemployment as well as underemployment, and/create a balanced participation in racial structure and occupational composition of employment in the various sectors of the economy. However, the success of the strategies in achieving their objectives will depend greatly upon the proper and successful implementation of the whole programme.

Conclusion:

From the above, it can be said that the government has been fully aware of the seriousness of the unemployment problem prevailing in the country. Credits are given to the government/efforts aimed at solving the problem. However, the crux of the problem, with Malaysia being a multi-racial society, does not merely lie in the expansion of potential industries and greater land development efforts, but also and more specifically, as with the introduction of the NEP, is the "economic imbalances" in the distribution and composition of the unemployed labour force.

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The SMP was given a tremendous task of trimming down the level of unemployment left over by the FMP. The stability of the rate real growth of the economy over the SMP period has helped in improving labour market conditions and thus provide employment opportunities. loyment was observed to grow, and the SMP had successfully dealt, some measure, with the backlog of the unemployed. The highlighted cess of the SMP has been in the improvement of the racial structure - position and distribution - of employment both by industry as well by occupational groups in line with the NEP.

It has been estimated that Malays and other indigenous people, general, have managed to obtain an increasingly larger share of ployment in the more productive sectors although this has been observed be principally at the lower levels of the occupational hierarchy. ogress was also made in restructing employment by industry and cupation for other Malaysians - Chinese, Indians, Ceylonese and hers. However, at the end of SMP period, there still exist significant ffrences in employment structure between the Malays and other Malaysians. is is hoped to be met through the second phase of the NEP under the P period.

The key issue in the provision of employment opportunities nder the SMP and TMP has been the rate and pace at which the required

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objectives of NEP and the efficient implementation of the strategies can be brought about. The target has been towards the high rate of economic growth and rapid structural change in the economy to improve the employment position of all races.

The large part of the increase in total employment has been, and will still need to come, from settlement on new public land development schemes and rapid growth of the manufacturing and services sectors. The strategy underlying the TMP continue to enhance and aggressively promote the role of the agricultural and industrial sectors in creating opportunities for a progressively greater part of the population of all races to be employed productively. However, these sectors need to grow at a pace which is faster than the growth of their labour force to enable them to meet the employment objectives.

Economic growth alone will not be sufficient to bring about the desired objective of reducing unemployment. It has a tendency towards the use of modern technology and capital-intensive industries for increasing output and productivity which often resulted in conflicts between productivity growth and employment growth.

There is a need to consider labour-intensive investment, in view

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of labour being a relatively more abundant and cheaper factor of production, especially when labour-intensive investment is less than optimal from the point of view of growth. In such circumstances, it may be justified if a high enough priority is given to growth in employment. Complementary to the growth of labour-intensive investment ought to be the appropriate choice of technology. This has to come from intermediate technology as it is likely to induce a balanced social and economic development with its existing opportunities for productive employment.

The employment strategy through the development of agricultural sector particularly in the opening up and settlement of new land has also not been sufficient to meet the provisions for employment opportunities. The creation of new employment opportunities through land development programme has been taken for granted to be significantly successful. The observations on the progress and the overall rate of land development programmes over the period 1961-1975 have been slightly and somewhat optimistic. The targets have not been actually realised.

Land development per se is not the magic or the only formula to eliminate unemployment and increase output in the agricultural sector. It has been known that most agricultural employment is often seasonalised and disguised. As such land development schemes and the divesification of agriculture as a whole, will by no means guarantee the creation of

69/-

employment that would absorb hitherto seasonally employed or underemployed to full employment in agriculture. Moreover, the expansion of the new land development schemes under specialised cultivation may not automatically create employment that will be complementary to the peak labour needs of the specialised crop area. The strategy will no doubt create some forms of employment; it might not end up with full employment but rather with seasonal or disguised unemployment.

Another drawback of the stragegy is presumably, the very high cost of investment expenditure required by the land development programme. The land development programmes in West Malaysia have been known to be the costliest compared to the cost of developing existing agricultural areas as well as other smallholder scheme efforts in South - East Asia and in some latin American countries.[47] It might have been more fruitful

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47. A comparison made between the smallholding oil palm scheme in Ecuador and West Malaysia with regards to the cost of development showed that oil palm smallholder settlement scheme in the former was not burdened with costly infrastructure or management, buildings, roads, houses, and all the amenities that go with the traditional estates structure of developed or developing countries in Asia and in parts of Africa. C.W.S. Hartley, The Oil Palm in Latin America. The Planter 1968.

Comparative cost of development for other forms of smallholder schemes in the country and FELDA can be seen in Radin Soenarno Alhaj, Land Development: Policy Aspect - with special reference to Malaysia, Report on 6th International Seminar on Development, July - August 1971, Kuala Lumpur.

70/-

to try other possible alternatives towards the same strategy that might provide for far more greater employment opportunities than what has already been achieved or to provide for similar achievement but with smaller costs. The rationale behind this is the conflict between employment and increase in output on the one hand and cost on the other[48].

As for employment strategy through industrial development and urban development, particularly in view of the NEP, there is still a lot to be done about the desired amount of restructuring in the distribution and composition of employment, especially of Malays, in the various sector of the economy as well as within particular industries. Sufficient productive employment should continue to be provided and promoted for the Malays and other indigenous people in urban-based industries while further action need to be taken to encourage the employment of other Malaysians in sectors where they are now inadequately represented. This will not only complement agricultural development in reducing the overall unemployment rate but also enable the unemployed and underemployed in the agricultural and services sectors to be absorbed in productive employment in other sectors of the economy.

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48. One can, however, observe that land development programme has achieved, to a large extent, the creation of productive employment, increase output, and higher incomes; but the achievement of employment objective has been at the expense of higher cost of public development expenditure which might also provide productive investment elswhere with possible creation of more new unemployment opportunities.

To this end, there is a need for a full, more effective and dynamic contribution from the private sector as well as a continuing active government participation and intervention. The private sector need to be the main source of capital formation with its generated investment playing crucial roles in the development of manufacturing, construction and other sectors of the economy. There is a need for favourable investment climate in the private sector to stimulate private investment growth, and subsequently for growth in the economy. The high rates of growth of the economy, particularly in manufacturing and construction, will stimulate the expansion of employment thereby contributing to the reduction in the incidence of unemployment.

The government's involvement is necessary to ensure a more efficient, progressive and adequate growth of employment to contribute towards the objectives of NEP. To the extent that the improvement in restructuring the severe imbalances in employment have been insufficient over the SMP period, specific restructuring policies and programmes need to be taken by the government. They constitute mainly policy elements towards improving labour market policies and programmes in support of more ethnically balanced pattern employment in all sectors of the economy; expansion of education and training opportunities in ways which ensure that the necessary supply of skills among the various racial

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groups are available to meet the racial employment pattern; and other promotional policies to stimulate employment expansion.

In general, there is normally no clear-cut and short-[illegible] answers to eliminate unemployment. The elimination of unemployment problem should be a steady and persistent long-term efforts. The strategy for employment should not only call for greater economic growth and stability. It should also, in relation to development, consider the utilization of unemployed or underemployed to the maximum, productivity of labour, and planning distribution of capital into new lines of activity using the factor endowment of the country. In addition, there should be intensification to help increase employment opportunities of economically productive nature and provision of training facilities towards expected employment opportunities. Over and above these efforts, successful achievement of any strategy for employment requires the full co-operation of the private and public sectors.

Time allocated for the various curricula components
for Lower Secondary Schools in West Malaysia

Curriculum Component	Time allotted per week (%)	Subject
1. Language Proficiency	23%	Malay Language (14%) English Language(9%)
2. Religious Studies	7%	Islamic Religion only
3. Civic consiousness	2%	Civics
4. Technological&Science orientation	24%	General Science(12%)
5. Social Orientation	10%	History Geography
6. Healthy Living	10%	Physical Education Hygiene, Art, Handwork, Music (optional)
7. Pre vocational Exposure	9%	One of the following:- Industrial Art, Home Science, Commerce, Agricultural Science.
8. Co-Curricula Activities	11%	Games Clubs and Societies Uniform Movement
9. At the discretion of the Headmaster/ Headmistress	4%	Allocation for any subject.

Source: EPRD

APPENDIX 2

Time Allotted for the Various Subjects at the Upper Secondary Schools in West Malaysia

Curriculum Component	Arts Stream		Science Stream		Technical Stream		Vocational Stre	
	Minutes per week	%	Minutes per week	%	Minutes per week	%	Minutes per week	%
1. Language Skills:-								
Malay Language	200	12	200	12	200	12	80	4.0
English Language	160	9	160	9	160	9	80	4.0
2. Religious Studies:-								
Islamic Knowledge only	120	7	120	7	120	7	80	4.0
3. Civics	40	2	40	2	40	2	80	4.0
4. Adaptation to Science:-								
(Environment&Technology)								
Mathematics	200	11	160	9	200	11	120	6.0
Applied Mathematics	-	-	160	9	120	7	-	-
General Science	200	11	-	-	-	-	120	6.0
Pure Science	-	-	600	33	360	20	-	-
Geography	120	7	-	-	-	-	-	-
Technical Subject	-	-	-	-	280	16	-	-
5. Healthy Living:-								
Physical Education	80	4	80	4	80	4	-	-
Art and Handwork	80	4	80	4	80	4	-	-
6. Adaptation to Society:-								
History	120	7	120	7	120	7	-	-
Literature	120	7	-	-	120	7	-	-
7. Co-Curricular Activities	180	10	140	8	100	5	-	-
8. Practical/"Related Drafting" Theory	-	-	-	-	-	-	1480	72.0
9. Upon the discretion of the Headmaster	160	9	-	-	-	-	-	-
Total	1780	100	1780	100	1780	100	2040	100

Source : EPRD

The various types of courses offered by the various institutions of higher learning in West Malaysia at the certificate, diploma and degree levels

(A) Certificate Level Institution:-	Course
University of Malaya	Teaching of English as a Second Language
MARA Institute of Technology (ITM)	Urban Planning and Regional Programming
Tunku Abdul Rahman College (KTAR)	Construction Technology Automotive Technology Electronic Technology
Ungku Omar Polytechnic	Electrical Engineering Mechanical Engineering Civil Engineering Commercial Studies

(B) Diploma Level Institution:-	Course
University of Malaya	Accountancy Education Conference Interpretation Translation Public Administration Computer Science
University Technology Malaysia	Civil Engineering, Mechanical Engineering, Electrical Engineering (Communication), Electrical Engineering (Power), Petroleum Engineering, Architecture, Town and Regional Planning, Quantity Surveying, Science with Education.
Agricultural University Malaysia	Agriculture, Home Technology, Fisheries, Veterinary Science, Science with Education.
MARA	Accountancy, Commercial Studies, Banking, Business Administration, Credit Management, Statistics, Public Administration, Plastic and Rubber Technology, Wood Technology, Textile Technology, Industrial Chemistry, Microbiology, Science, Town and Regional Planning, Architecture, Surveying, Estate Management, Construction, Interior Design, Landscope Architecture, Transportation, Fine Art, Graphics, Textile Design, Industrial Design, Pottery Ceramics, Fashion, Three-Dimensional Design, Teaching of Art, Computer Science, Actuarial Science, Sistems Analysis, Civil Engineering, Electrical Engineering, Electrical Engineering (Power), Mechanical Engineering,

	Mining Engineering, Petroleum Engineering, Hotel Management and Catering, Institutional Catering Management, Chef de Quisine, Tourist Administration, Home Economics, Library Science, Newspaper Advertising, Mass Communication, Stenography, Book-Keeping.
KTAR	Commerce, Science, Automotive Technology, Construction Technology, Electronic Technology.
Ungku Omar Polytechnic	Accountancy

(C) Degree, Advanced Diploma and Professional Level

Institution:-	Courses Offered
University of Malaya	Economics, Arts, Law, Science, Educatio Dentistry, Engineering, Medicine.
University Technology Malaysia	Civil, Mechanical, Electrical and Petroleum Engineering, Surveying, Architecture, Town and Regional Planning, Real Estate Management.
Agricultural University of Malaysia	Agribusiness, Resource Economics, Agriculture, Food Science and Technology, Home Technology, Forestry, Veterinary Science, Science, Science With Education, Environmental Studies, Agricultural Engineering.
University Science Malaysia	Humanities, Humanities With Education, Housing, Building and Planning, Social Science, Science, Science With Education, Applied Science, Pharmaceutical Science.
National University of Malaysia	Social Science, Humanities, Economics and Management, Islamic Studies, Malay Language, Literature and Culture, Science, Medicine.
MARA	I.C.M.A.(U.K.), A.C.A.(U.K.), I.C.S.A.(U.K), LAW(U.K.), Business Administration (Ohio), Institute of Marketing (UK), Chartered Institute of Transport (UK), Chartered Institute of Insurance (UK), Institute of Statistics (UK), Executive Development Plan.
	Advanced Diploma
	Town and Regional Planning, Business Administration, Civil, Electrical and Mechanical Engineering, Library Science.
KTAR	Science (UK), ACA, I.C.S.A.

Source: EPRD